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February 11, 2003
Tennessee Regulatory Authority
DOCKET ROOM

Mr. Joe Werner
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Data Request Response for BellSouth *Welcoming Reward* Tariff 03 00060

Dear Joe:

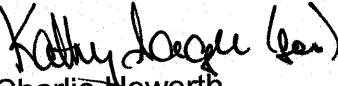
The following is responsive to your letter dated February 7, 2003, requesting information relating to BellSouth's *Welcoming Reward* program.

As discussed in both BellSouth's statements during oral argument on February 3 and its Response to Requests to Suspend BellSouth Tariff filed on January 31, 2003¹, the *Welcoming Reward* program is a short-term promotion, pursuant to both FCC Rules and TRA Orders. Consistent with such FCC Rules and TRA Orders, only the underlying telecommunication services are available for resale at the wholesale at the tariff rate less the discount. The wholesale discount applies **only** to the tariff rate for the underlying services and not to the \$100 credit.

For example, using the hypothetical situation set forth in your letter, if a reseller in Nashville, who is eligible for the 16% resale discount, requests five (5) business lines, then BellSouth will provide the reseller with those lines for resale at the monthly recurring rate of \$33.35 for each of the five (5) lines. This is calculated as follows: $\$39.70 - 16\% \text{ of } \$39.70 = \$33.35$. In accordance with your instructions, the influence of the SLC, taxes and other surcharges have been excluded from this calculation.

In sum, the CLECs are free to resell the underlying services with the wholesale discount and to offer credits or other rewards just as BellSouth does in order to provide a similar offer.

Sincerely,


Charlie Howorth

¹ See specifically Section V at pages 13 through 14 of BellSouth's Response.